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*Canada. Railways, Canals and Telegraph
Lines, Standing Committee, 1946*
(SESSION 1946)

(HOUSE OF COMMONS)

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(STANDING COMMITTEE)
(ON)

(RAILWAYS, CANALS AND)
(TELEGRAPH LINES)

BILL No. 345, AN ACT RESPECTING THE CONSTRUCTION OF A
LINE OF RAILWAY BY CANADIAN NATIONAL RAILWAY
COMPANY FROM BARRAUTE TO KIASK FALLS
ON THE BELL RIVER, IN THE
PROVINCE OF QUEBEC

MINUTES OF PROCEEDINGS AND EVIDENCE
No. 3

[Reports]

MONDAY, AUGUST 12, 1946

WITNESS:

Mr. S. W. Fairweather, Vice-President, Research and Development,
Canadian National Railway Company.

OTTAWA
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.,
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
CONTROLLER OF STATIONERY
1946



ORDERS OF REFERENCE

HOUSE OF COMMONS,

FRIDAY, March 29, 1946.

Resolved,—That the following Members do compose the Standing Committee on Railways, Canals and Telegraph Lines:—

Messrs.

Adamson	Eudes	Michaud
Archibald	Farquhar	Mullins
Ashby	Gagnon	Mutch
Aylesworth	Gauthier (<i>Portneuf</i>)	Pearkes
Beaudoin	Gauthier (<i>Nipissing</i>)	Picard
Beaudry	Gourd	Pouliot
Belzile	Grant	Robinson (<i>Bruce</i>)
Bentley	Harris (<i>Danforth</i>)	Robinson (<i>Simcoe East</i>)
Bertrand (<i>Terrebonne</i>)	Hatfield	Ross (<i>Souris</i>)
Black (<i>Cumberland</i>)	Herridge	Ross (<i>Hamilton East</i>)
Blair	Hodgson	Shaw
Bonnier	Irvine	Smith (<i>York North</i>)
Bourget	Johnston	Stephenson
Breithaupt	Knight	Viau
Brooks	Lesage	White (<i>Hastings-</i> <i>Peterborough</i>)
Campbell	Little	White (<i>Middlesex East</i>)
Chevrier	Maybank	Whitman
Church	Mayhew	Winters—60.
Cloutier	McIvor	
Drope	McCulloch (<i>Pictou</i>)	
Emmerson	McKay	

(Quorum 20)

Ordered,—That the Standing Committee on Railways, Canals and Telegraph Lines be empowered to examine and inquire into all such matters and things as may be referred to them by the House; and to report from time to time their observations and opinions thereon, with power to send for persons, papers and records.

WEDNESDAY, May 1, 1946.

Ordered,—That the said Committee be given leave to sit while the House is sitting.

Ordered,—That the said Committee be granted leave to print, from day to day, 500 copies in English and 200 copies in French of the minutes of proceedings and evidence to be taken, and that Standing Order 64 be suspended in relation thereto.

Ordered,—That the quorum of the said Committee be reduced from 20 to 12 members, and that Standing Order 63 (1) (b) be suspended in relation thereto.

MONDAY, August 5, 1946.

Ordered,—That the following Bill be referred to the said Committee, viz:—

Bill No. 345, An Act respecting the construction of a line of railway by Canadian National Railway Company from Barraute to Kiask Falls on the Bell River, in the province of Quebec.

Attest

ARTHUR BEAUCHESNE,
Clerk of the House.

REPORTS TO THE HOUSE

MONDAY, August 12, 1946.

The Standing Committee on Railways, Canals and Telegraph Lines begs leave to present the following as a

FOURTH REPORT

Your Committee has considered Bill 345, An Act respecting the construction of a line of railway by Canadian National Railway Company from Barraute to Kiask Falls on the Bell River, in the Province of Quebec, and has agreed to report it without amendment.

A copy of the minutes of proceedings and evidence is appended.

All of which is respectfully submitted.

L. O. BREITHAUPT,
Chairman.

MINUTES OF PROCEEDINGS

MONDAY, August 12, 1946.

The Standing Committee on Railways, Canals and Telegraph Lines met at 3.30 o'clock p.m., the Chairman, Mr. L. O. Breithaupt, presiding.

Members present: Messrs. Beaudoin, Belzile, Bourget, Breithaupt, Campbell, Chevrier, Farquhar, Gagnon, Gourd, Hatfield, Lesage, McCulloch (*Pictou*), McKay, Mutch, Robinson (*Simcoe East*), Whitman.

In attendance: Mr. S. W. Fairweather, Vice-President, Research and Development, Canadian National Railway Company.

The Chairman read the Order of Reference, viz.:

MONDAY, August 5, 1946.

Ordered: That the following Bill be referred to the said Committee, viz:—

Bill No. 345, An Act respecting the construction of a line of railway by Canadian National Railway Company from Barraute to Kiask Falls on the Bell River, in the Province of Quebec.

Hon. Mr. Chevrier explained the purpose of Bill No. 345.

Mr. Fairweather was called, heard, questioned and retired.

Clauses one to ten, inclusive, the schedule, the preamble and the title were adopted.

The Bill was adopted and the Chairman ordered to report to the House accordingly.

At 4.30 o'clock p.m., the Committee adjourned to meet at the call of the Chair.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

August 12, 1946.

The Standing Committee on Railways, Canals and Telegraph Lines met this day at 3.30 o'clock p.m. The Chairman, Mr. L. O. Breithaupt, presided.

The CHAIRMAN: Gentlemen, if you will come to order we will consider Bill No. 345. The reference is that the following bill be referred to the Standing Committee on Railways, Canals and Telegraphs: Bill 345. An Act respecting the construction of a line of railway by Canadian National Railway company from Barraute to Kiask Falls on the Bell River, in the province of Quebec.

The Minister of Transport is here. Is there anything you wish to say, Mr. Chevrier?

Hon. Mr. CHEVRIER: Mr. Chairman and gentlemen, there is nothing I wish to say more than this, that the bill has been referred to this committee by the House of Commons sitting in committee of the whole. The members will remember that the bill has to do with the construction of a branch line from Barraute on the National Transcontinental to a place called Kiask Falls—a branch line fifty-five miles in length. The projected line is in the Abitibi country, about 400 miles west and north of Quebec city. I outlined the facts concerning the authority that is sought by parliament for the construction of this branch line—and I do not want to repeat them—as well as the policy of the Canadian National Railway when lines of this sort are built, and I referred also to the guarantee by the Canada Paper Company for a portion of the projected line. The bill was referred to this committee, and there are witnesses here who will explain this matter to you: Mr. Fairweather, Mr. Maxwell and Mr. Rosevere of the Canadian National Railways. They are prepared to answer any questions if the committee is ready to discuss the bill clause by clause.

The CHAIRMAN: Do you wish to hear Mr. Fairweather and get some detailed description of the line, or do you wish to discuss the bill clause by clause?

Mr. WHITMAN: Let us hear Mr. Fairweather.

Hon. Mr. CHEVRIER: I think it would be advisable if we could hear evidence from Mr. Fairweather.

The CHAIRMAN: None of us knows very much about this matter, and I think it is desirable to call Mr. Fairweather. Would you proceed, Mr. Fairweather?

Mr. S. W. Fairweather, Vice-President, Research and Development Department, Canadian National Railways, called:

The WITNESS: Mr. Chairman and gentlemen, this area of northern Quebec which is proposed to be developed by the branch line under consideration is an area of rather extensive and diversified natural resources. It is an area which

the Canadian National has had under observation for many years. I remember nearly twenty years ago having made a study of this area and at that time we reached the conclusion that it was inevitable that this area would be developed, and in that course of development a railway would be necessary. However, at that time there was not any necessity for constructing such a line because there was a superabundance at that time of pulpwood much easier of access, and at that time also the agricultural development in that area was not as well known as it is now.

However, in the later stages of the war when it became evident that we could plan in the reasonably near future for further expansion we made another survey of this area and this further survey confirmed the previous conclusions. But at this time there was a difference because while we were in the process of making our survey we were contacted by the Canada Paper Company to see whether they could interest us in building a branch line into that area; also the Department of Colonization in the province of Quebec were anxious to get a line into that area. As a result of negotiations which were conducted over quite a considerable period of time the Canada Paper Company made a proposal to the Canadian National to guarantee a minimum amount of traffic over the lower portion of the line as far as the mouth of the Taschereau River.

Mr. CAMPBELL: How many miles would that be?

The WITNESS: 43.7 miles to the mouth of the Taschereau river. The project was considered by the board of directors of the Canadian National Railways and it was recommended to the government.

In order that we may get some idea of the terrain, we have prepared this general map showing the relationship of the branch from Barraute to Kiask Falls in relation to the other lines of the Canadian National and to the country generally. Here, on the map, you see the National Transcontinental Railway running approximately along the height of land and going down into Quebec. Then from this point there is a line of railway going down to Sherbrooke and in the general direction of Richmond and Portland, Maine; and down on that line is Windsor Mills.

Now, the prime object of this branch line, so far as the Canada Paper Company is concerned, is to obtain pulpwood from an area of timber lands which they have been granted to the east of the Bell River, together with pulpwood which they hope to buy from settlers on the west of the Bell River, and moving it to their pulp mill and paper mill down at Windsor Mills. This mill at Windsor Mills draws its pulpwood at the present time from the area in eastern Quebec, which is not sufficient to support the pulp mill in its present output; and moreover the Canada Paper Company have in mind an expansion program to increase the size of this plant, and they simply had to obtain an adequate source of pulpwood. Consequently, they negotiated with the province of Quebec and they obtained the cutting rights on this area coloured in blue (east of the Bell River), which consists of approximately 700 square miles containing 4,850,000 cords of pulpwood. That was conditional upon them being able to get a railway built from the National Transcontinental up to these limits.

Coming back to the general map, I would like to point out that Quebec in a sort of focal point from which lines radiate down to the maritime provinces, down to Montreal and down to Sherbrooke and Windsor Mills in the eastern townships of Quebec. The Quebec bridge being the dominating controlling factor in that picture, giving access to the area lying south and east of the St. Lawrence River. To and from this northern area everything passes over the Quebec bridge. Over here we have the Lake St. John country, served by the Canadian National Railways by a line starting from Quebec and running up through Riviere a Pierre, up to Lake St. John and coming down into Chicoutimi and Arvida, where the big Aluminum Company is located, and also where there are pulp and paper mills.

While there is no intention at this time of extending this branch line, the location of the branch line was necessarily considered in relation to possible future development and its strategic location was picked so it would serve a number of purposes. First and foremost it must be located so as to tap the pulpwood limits coloured in blue on the large map (east of the Bell River); then also it had to be located to serve the agricultural and colonization possibilities of the area. And that leads me, perhaps, to a discussion on this map. The Bell River which runs northerly to Lake Mattagami marks the approximate boundary between the rugged terrain lying to the east and the clay belt lying to the west. This country lying to the east has no agricultural possibilities; it is rough and rugged and wholly rocky, and while it has mineral possibilities and is heavily timbered, it is not suitable for settlement. For that reason the Quebec government confined the timber limits which were granted to the Canada Paper Company to the area lying to the east of the Bell River. To the west of the Bell River, however, the condition is entirely different, and this whole area is the largest area of the clay belt which is to be found in northern Quebec, or northern Ontario for that matter. It is really the bed of an old glacial lake. At one time the glaciers made an escarpment along the northern portion of it and the water backed up between there and the height of land and in that lake was deposited fine clay and silt and alluvial deposits, so that this area along the Bell River and the Harricanaw River is composed of a very fine type of soil very well suited for agriculture. The only question that arises with regard to it at all is whether or not it is so far north that you cannot get constant crops. That is a matter which has been determined and settled by the courage of the pioneers of Quebec, because they settled along the line of the National Transcontinental Railway and just about on the height of land, and they settled there so successfully that there are now something like 60,000 of them living off the land in that area, and you can see that they have developed the agricultural possibilities of that area to the practical extent of development over the existing railway.

HON. MR. CHEVRIER: Are there not about 75,000 people in that country?

THE WITNESS: There are about 75,000 in the country but about 15,000 of them live in towns and villages, and the rest live on the land.

So that question has been settled, and it has been proved that people can live up in that country and make a decent living from agriculture. There is no question about it at all. The soil is good. It is true that the climate does have its own peculiarities and the farmers have to learn how to manage their crops, but there is no reason to believe that that country is not a proven pioneering country. The amount of settlement, however, is limited by the distance you can go back from the railways with supplementary highways. The studies we have made indicate that with modern motor transport and highways, a railway will develop a belt about 25 miles on each side efficiently. Before the development of motor transport, that belt was much narrower and only amounted to about 12 miles on each side, but the effect of motor transport is to just about double the economic zone of the line. You can see that settlement has just about reached that level, because these roads indicated on the map are about 25 or 30 miles back from the N.T.R. The province of Quebec, faced with that situation, desire to develop an area even farther north and there arises immediately a question whether, what has been proven in the area on the height of land, remains true of the area as you go further north. We know that the soil is good. We know that the soil is excellent. So far as the climate is concerned, there is a rather happy compensating feature which is present. This whole country slopes to the north and the consequence is that as you go north you lower the elevation; and the lowering of the elevation offsets the increase in the more northerly location. The result is that the climate as you go north is really

milder from an agricultural standpoint than it is on the height of land. That is proven by the fact that down here on the height of land the virgin forest growth averages about 10 inches at the butt. Down here at Lake Mattagami, just about 100 and some odd miles north of the N.T.R. it will average close to 20 inches on the butt in the virgin forest. Of course that is very conclusive evidence that the climate is satisfactory. In any event, the province of Quebec has definitely laid plans for colonization of that area which I am outlining here and which is composed of the townships of Themines, Comptois, Vassal, Despinassy, Bartouille, Iaas and Hurault; and they plan in that area to locate in the next 10 years, I think it is, 1,700 families. They count their colonization in family units.

By Hon. Mr. Chevrier:

Q. That is roughly, 10,000 people?—A. That would be 10,000 people, as the minister points out. There are two other natural resources to which reference might be made.

Q. Might I interrupt you there, Mr. Fairweather?—A. Yes, certainly.

Q. It has been suggested that 10,000 people could hardly make a railway of that nature or a projected line of that nature a paying proposition. What do you say to that?—A. Oh, I would differ on that statement. I should think that 10,000 people when settled along a branch line 40 miles long is a more dense population than you will find in most agricultural communities. It is certainly much denser than you would get in the west. I am glad the minister interrupted me on that point.

This agricultural development here (west of the Bell River) is of a dual nature. It is agriculture mixed with lumbering. The area is not only suitable for agriculture—but it is also excellent forest country in its own right. The province of Quebec very wisely is adopting a policy that only about 60 per cent of the land will be brought under cultivation and 40 per cent of it will be maintained in permanent forest and will be cut as a crop which, gentlemen, you will realize is a much greater prospective traffic-giver than would be a purely agricultural community; because if you figure even on the annual increment of the portion of the area which will be left in permanent forest, that in itself would be sufficient to pay the expenses of the line, to say nothing of the agricultural development and to say nothing of what might be cut in the forest area lying to the east of the Bell River.

I was proceeding to mention the two other natural resources which we did not take into account in estimating the results of operation, but which we feel have distinct possibilities. One is the mining possibilities. The area along the branch line is in a very favourable territory, structurally, for the location of, or discovery of mines—copper, zinc and gold chiefly. Geologically this country again divides along an axis that extends approximately from Parent up to the Lake St. John country, and the country lying to the east of that line is made up of a complex of granites and gneisses in which there are practically no economic metals. But the country lying to the north and west of that axis is composed of the ancient lavas and sedimentary rocks of the pre-Cambrian shield which are intruded by molten magmas from below which have been fractured and sheared and constitute a very valuable source of minerals. Actually, geologists can trace the breaks and the formations extending from the Porcupine and the Larder Lake area of Ontario right up through Bell River country here and up to Chibougamau, which is up around here (indicating). That axis of favourable mineralization passes right through the area that the branch line is located on. Prospects have been discovered on Lake Mattagami. They have been discovered up in Currie Township in the Wedding River area. That is, that area there and also in the Chibougamau. Some of those prospects have made small mines.

By Mr. Whitman:

Q. Is Normetal there?—A. No. Normetal is farther west (indicating) and it is a zinc-copper proposition; chiefly zinc.

Q. It is farther west?—A. It is farther west. But the Opemiska Copper is up in the Chibougamau area as well as the Chibougamau Consolidated. There is the Wedding River Area up in here (indicating). As I say, there were gold mines located around the Wedding River area that were in production until they were interrupted by the war. They were high grade mines and it is quite possible they will resume production, in which event a line extending up even as far as Kiask Falls would be of very great assistance to them. But gentlemen, I should like you to understand that in making the estimate of the economic results of this line, we have given no weight at all to the mineral development, although I for one feel that 10 or 15 years from to-day there will be producing mines in that area.

The other natural resource is one which we in the east have not as yet paid very much attention to, and that is freshwater fisheries. Freshwater fisheries have developed into a major industry in western Canada. In eastern Canada there have not been readily accessible waters that were suitable. But the Bell River and Lake Parent have distinct possibilities. But again, we considered that too speculative to include in the estimates of production. Consequently we have based our estimates upon the natural resources which we knew were in process of development—that is, forest wealth and the agricultural settlement; and, based upon those resources we have satisfied ourselves that this line of railway will improve the net position of the Canadian National Railways.

I have endeavoured, Mr. Chairman, to give in a sketchy outline the location of the line and what it means. I might say that at Kiask Falls, where the terminus of the present line is intended, there is a waterfall there or two waterfalls with a total height of about 100 feet, and there are considerable power possibilities. Of course, the actual extent of the power you could get would depend upon the degree to which you regulated the river system. If you did not regulate the river system at all, you would have a minimum power of about 20,000 horsepower. If you regulated the river, you might get 100,000 horsepower at that point.

The CHAIRMAN: Thank you, Mr. Fairweather. The Committee, I believe, in common with all members of the House, are anxious to finish the business of the session, but they are not anxious to do it at the expense of not knowing what it is all about. So if there are questions which any of the members wish to ask of Mr. Fairweather on any points that are not quite clear, they may be asked now.

By Mr. McKay:

Q. I have just one question. I am rather interested in this project. It seems to me it is going back to the days when we really opened this country up, and I think it is a project to be commended. I should like to question Mr. Fairweather regarding this clay belt that he referred to. It seems to me that the minister mentioned something in the House, when this bill first came up for discussion to the effect that there were some 250,000 acres available there. Was it adjacent to this railway or did it include all this clay belt? Surely it would not include all the area Mr. Fairweather mentioned?—A. The answer to that, sir, is that the 275,000 acres was strictly limited to the area which will be developed by this limited branch line.

Q. Within 25 miles of the railway?—A. A belt 25 miles on each side of the railway.

Q. Yes.—A. So far as the area itself is concerned, it has vastly greater potentialities than that.

By Mr. Hatfield:

Q. What is your estimated revenue from the forest and what is your estimated revenue from agriculture?—A. Of the gross revenues that we estimate will result from the line in the period of the guarantee, which amount to about \$3,000,000—\$3,007,000, to be exact—68·5 per cent of that will come from pulp-wood; other outward freight,—and that would represent agricultural commodities and specialties of one kind and another—7·3 per cent; inbound freight—and that would be supplies for the settlers and the lumber camps, machinery and stuff like that—14·2 per cent; passenger, mail and express, 10 per cent. That makes up the total. So you can see that roughly two-thirds of the revenues in the first 6-year period will come from the exploitation of the forest resources.

By Mr. Campbell:

Q. How soon do you expect the line to pay its own way? It will not pay its own way the first two or three years, will it?—A. Of course, that is the purpose of the guarantee. You cannot expect a branch line to pay in the first few years. You have to take a wider point of view, and we consider that the development period to test out an area is from 5 to 10 years. In this case, we settled with the Canada Paper Company on a 6-year spread; and in that period we demanded from them a traffic guarantee which would be sufficient to make the line pay—that is, it would break even. The C.N.R., under the guarantee, is bound to break even; and by breaking even I mean that is after paying all the operating costs, all the maintenance costs, all rental on equipment and interest on the cost of construction.

Q. How far north is that? In what township would the end of the line be?—A. The end of the line is in Laas township.

Q. I do not know where that is. What township would it be?

Hon. Mr. CHEVRIER: It is in Laas township. That is the township.

By Mr. Campbell:

Q. What county?—A. It is in Abitibi county, Laas township.

Q. What parallel would that be?—A. Well, it is the 49th parallel almost exactly.

Q. It would be about the same as Edmonton, then. How far north, or on what parallel is Edmonton?—A. Edmonton is farther north than that.

By Mr. Mutch:

Q. That is on the 49th?—A. Yes. Edmonton is on the 54th.

Q. The 49th parallel is the boundary in the west.—A. The 49th parallel is the international boundary in the west.

Q. That is south of Winnipeg. The boundary is the 49th parallel.—A. The 49th parallel constitutes the boundary between Canada and the United States in the west and it continues through this area (indicating). You see, we are just about there (indicating). So that you are south of Winnipeg and about the international boundary.

Q. The 49th parallel is as far south as you can get in the west?—A. You cannot get any further south in the west, no. But from the point of view of geography, of course, we must remember that the Hudson Bay dominates the climate in the east.

By the Chairman:

Q. Considering the timber limits that have been purchased by the Canada Paper Company up there, how long will that last, with the present capacity of the Windsor mills plant? Of course, they are augmenting that, I understand. They are enlarging that, are they not?—A. I am glad that point has been

raised. The Canada Paper Company has also embarked in this venture on a new policy. They do not intend to go into that area and clean it off. They intend that to be a permanent forest and they plan to cut never more than about 2 per cent of the area; that is on the average. They figure that they can take off this about 100,000 cords a year.

By Mr. Gourd:

Q. In perpetuity?—A. In perpetuity.

By the Chairman:

Q. Will they undertake any reforestation or will they let nature take its course?—A. There are two methods that they are using. The one is to cut selectively. Whether that can be used up in that area or not, they are not quite certain. They do use that method down in the eastern townships.

Hon. Mr. CHEVRIER: There will be no question of stripping the country?

The WITNESS: No.

By Mr. Mutch:

Q. Apart from fire, is it not correct to say that the experience in comparative areas is that it grows as fast as you can cut it on regulated cutting?—A. If discretion is used in the cutting you can cut about 2 per cent of your stand.

Q. It is a fifty-year cycle?—A. Yes, a fifty-year cycle.

By Mr. Lesage:

Q. I understand that the proposed railway will run north and northeast so that it touches the Canada Paper Company area. Would it not be more suitable for the proposed colonization area if the line went due north up from Barraute?—A. Well, sir, that is a very good point, and I will refer to it briefly. When we were negotiating with the province of Quebec they were strongly in favour of a line that went north from Barraute, but that left the Canada Paper Company up in the air. The economics of building a line true north and over to tap this pulp area was less favourable than building a line diagonally. The diagonal line does everything that the province wants to do in the next ten years. That is capable of developing this area which is marked on the map in dots and is an area of 700,000 square miles. Now, when they have finished the development of that area the question will then arise as to further expansions to tap further areas, and as I previously mentioned this line is strategically located so that this additional line can be built.

Hon. Mr. CHEVRIER: That is west and north of Kiask Falls?

The WITNESS: West and north of Kiask Falls, and you can hit down towards Mattagami, you can hit over toward Chabougama; it depends on whether you wish to tap agricultural possibilities or mining territory or timber-land; but the line is deliberately located along the axis to meet the views of both the Canada Paper Company and of the Department of Colonization.

Mr. MUTCH: Ten years is long enough to look ahead.

The CHAIRMAN: Shall we proceed now with the clauses of the bill?

Clauses 1 to 10 carried.

The CHAIRMAN: Shall the schedule carry?

Carried.

Shall the preamble carry?

Carried.

Shall the title carry?

Carried.

Shall I report the bill?

Carried.

There is nothing else before the committee and a motion to adjourn is in order.

The committee adjourned.

